

# **MODULE 4**

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## **Direct Loan**





## Direct Loan Basics

- Loan types
- Loan amounts and limits
- Interest rates
- Loan counseling
- Master Promissory Note





## Direct Loan & FFEL

- Same regulations related to
  - Student Eligibility
  - Loan periods
  - Annual loan limit progression
  - Disbursement
  - Borrower's right to cancel
  - Credit balances
  - Prior year charges
  - R2T4



### Regulatory citations:

- 34 CFR 668.31 – 668.40
- 34 CFR 685.301
- 34 CFR 685.301
- 34 CFR 685.303
- 34 CFR 668.165
- 34 CFR 668.164
- 34 CFR 668.164
- 34 CFR 668.22



## Disbursement Process

- Funding Source
  - Single source of DL funds – U.S. treasury
  - Department provides Current Funding Level in G5
- School must calculate and draw funds for immediate need from G5
  - Funds drawn in lump sum, not student specific





## Origination

- Origination is the Direct Loan equivalent of FFEL certification
- Similar to originating Grants in COD
  - Confirm eligibility
  - Determine award/loan amount
  - Loan Origination Record sent to COD
  - Contains person data + DL Award + anticipated disbursement dates and amounts





## Disbursement Reporting To COD

- Actual disbursement date and amount
  - Report as early as 7 days before the actual date of disbursement
  - Report within 30 days of crediting the student's account
- Interest begins to accrue on actual disbursement date reported by school





## Refusal To Award A Loan

- In Direct Loan Subsidized, Unsubsidized, and PLUS, a school has the authority to
  - Refuse to originate loan or
  - Originate a loan at less than the amount requested by the student
- Must be done on an individual student basis
- Must provide student with written explanation



### References: 34 CFR 685.301(a)(8)

ED does not identify what is an acceptable or unacceptable reason; except that the school cannot engage in discrimination based upon race, sex, color, religion, national origin, age, disability, or income.



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## Different “Years” Used for DL

- Award Year
  - Use of ISIR/EFC
    - If loan period is wholly contained within the award year, use ISIR/EFC associated with that award year
    - If loan period contains both June 30 and July 1, a crossover period, school has latitude to use either award years ISIR/EFC
  - In G5, identify which award year’s funds are being used
  - Unlike other Title IV programs, more loan funds do not become available at start of new award year





## Different “Years” Used for DL

- Defined Academic Year (AY) for Title IV
  - Typically this is the loan period used for DL
  - Can be a lesser period for programs shorter than an AY or for periods of study extending beyond one AY but do not extend to two AYs
- Used slightly differently with Scheduled Academic Year (SAY) vs. Borrower-Based Academic Year (BBAY)





## Different “Years” Used for DL

- Scheduled Academic Year (SAY)
  - Is the defined AY with any summer term added to it as a trailer or header
- or
- Is the defined AY which includes all terms in the calendar year including summer
- An SAY is a fixed period of time that begins and ends at the same time each year





## Different “Years” Used for DL

- Borrower-Based Academic Year (BBAY)
  - The loan period is the defined AY
  - or
  - For a program that is less than an AY, the loan period is the length of the program\*
  - or
  - For a program longer than an AY, but shorter than two AYs, the period of study that remains after the first loan period is the second loan period\*
- \* Loan proration required

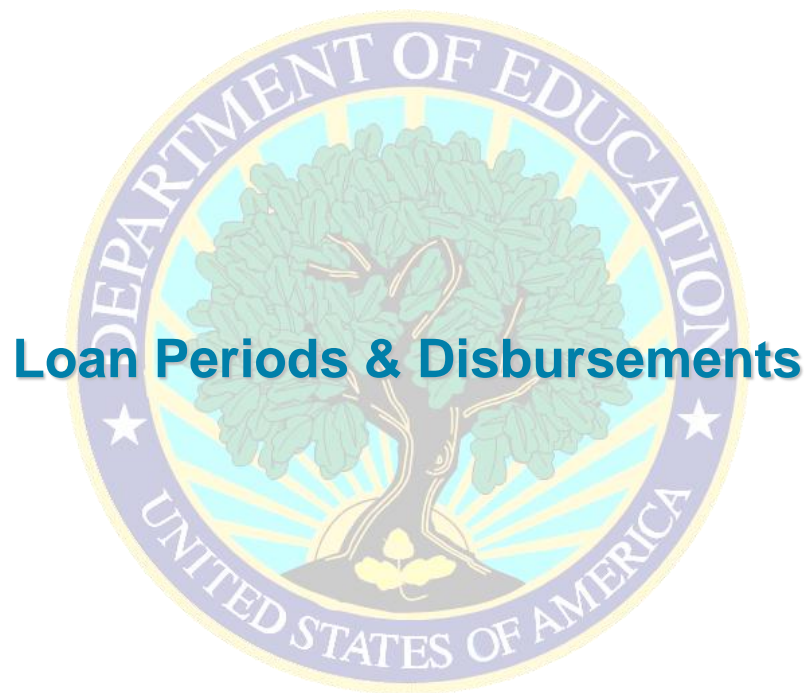




## Different “Years” Used for DL

- Federal fiscal year is used to calculate cohort default rates in DL/FFEL
  - October 1 through September 30







## Standard Terms

- Minimum loan period is the academic term
- Maximum loan period is the academic year
- Disbursement
  - One term loan period
    - Two substantially equal disbursements
    - Second not before calendar midpoint of term
  - Multiple term loan period
    - Disburse by term in substantially equal disbursements



### References: 34 CFR 685.301(a)(10)

#### Definition of Standard Term

- Semester/Trimester
  - Typically 15 to 17 weeks of instructional time
  - Academic year is 2 semesters/trimesters and at least 24 semester credits for undergraduate programs.
- Quarter
  - Typically 10 to 12 weeks of instructional time
  - Academic year is 3 quarters and at least 36 quarter credits for undergraduate programs.



## Nonstandard-Terms

- Substantially equal terms, where each is at least 9 weeks in length (NS-SE9W)
  - Loan period is one term or multiple terms
  - Disburse by term, in substantially equal disbursements



**References:** 34 CFR 682.603(f)(1)(i)(A), 685.301

NS-SE9W = Nonstandard, Substantially Equal, at least 9 Weeks

Substantially equal means that no term in the loan period is more than 2 weeks longer than any other term in loan period.

**Example:** The Radiology Technician Program at Martin Community College consists of 96 quarter credits, offered in 6 consecutive quarters. Each quarter is 14 weeks in length. School defines its academic year as 36 credits and 42 weeks.

The quarters are nonstandard because each is 14 weeks in length. (standard quarters are 10 to 12) The quarters are substantially equal and at least 9 weeks each. This allows the school to award one-term or multiple term loans.

The minimum loan period for this program would be one 14 week quarter, and the maximum loan period would be 3 quarters, which is the academic year.

Disbursements are made by term, in substantially equal payments.





## Nonstandard-Terms

### NS-NSE or NS-SEL9W

- Loan Period
  - Minimum loan period is lesser of
    - Program length
    - Academic year (AY)
    - Remainder of program if less than one AY
    - Remainder of AY for transfer student with accepted hours
  - Maximum loan period is the academic year
    - May be greater than 12 months



**References: 34 CFR 682.603(f)(1)(i)(B); 685.301**

NS-NSE = Nonstandard, Not Substantially Equal

NS-SEL9W = Nonstandard, Substantially Equal, Less than 9 Weeks in length

**Nonstandard-term Loan Period Example NS-NSE**

**City Community College** has a Veterinary Assistant program. It consists of 6 terms, over a period of 45 weeks of instruction. It is 54 quarter credits.

<b>Term</b>	<b>Weeks</b>	<b>Credits</b>
Term 1	3 weeks	3 credits
Term 2	8 weeks	10 credits
Term 3	9 weeks	10 credits
Term 4	10 weeks	13 credits
Term 5	9 weeks	10 credits
Term 6	6 weeks	8 credits

City Community College must award its loans by academic year because its terms are not substantially equal. There is more than a two week difference between the term lengths.

Title IV academic year is defined as 36 quarter credits earned over 30 weeks of instruction.

First loan period is the first academic year of the program. That includes terms 1 through 4. The student will earn 36 credits in that 30 week period.

A student may then borrow a prorated loan for a second loan period which is the remainder of the program. There are two terms remaining, 15 weeks of instruction during which the student earns 18 credits.

**Nonstandard-term Loan Period Example NS-SEL9W**

**Ina's Interior Design Institute** offers an Interior Home Design program. It consists of 5 terms, each 8 weeks in length. The school refers to them as modules. The program is 30 semester credits.

Module	Weeks	Credits
Module 1	8 weeks	6 credits
Module 2	8 weeks	6 credits
Module 3	8 weeks	6 credits
Module 4	8 weeks	6 credits
Module 5	8 weeks	6 credits

Ina's Interior Design Institute must award its loans by academic year. Though the modules are substantially equal, they are each less than 9 weeks in length.

Title IV academic year is defined as 24 semester credits earned over 32 weeks of instruction.

First loan period is the first academic year of the program. That includes modules 1 through 4. The student will earn 24 credits in that 32 week period.

A student may then borrow a prorated loan for a second loan period which is the remainder of the program. This is one module of 8 weeks during which the student will earn 6 credits.



## Nonstandard-Terms

- NS-NSE Disbursements
  - Must disburse in 2 equal disbursements
  - Second disbursement after successful completion of half of hours in period and half of weeks have elapsed
- NS-SEL9W Disbursements
  - Disburse by term in substantially equal disbursements



### References: 34 CFR 685.301(b)

NS-NSE = Nonstandard, Not Substantially Equal

NS-SEL9W = Nonstandard, Substantially Equal, Less than 9 Weeks in length

### Disbursement Examples

For the Veterinary Assistant Program at City Community College, a loan must be disbursed in two equal disbursements. The second disbursement cannot be made before the halfway point of credits and weeks. This is because the terms are not substantially equal. A second disbursement may be made when the student has earned 18 credits and 15 weeks have elapsed.

Ina's Institute can disburse the first loan in four equal disbursements, once in each module, equal disbursements once in each module. This is because the modules are substantially equal.



## Clock hour/Nonterm Credit Hour

- Minimum loan period is lesser of
  - Program
  - Academic year (AY)
  - Remainder of program if less than one AY
  - Remainder of AY for transfer student with accepted hours
- Maximum loan period
  - Academic year
    - May be greater than 12 months



### References: 34 CFR 685.301(a)(10)

#### Loan Period Example

The Cooking Institute offers a Fancy Dessert program that is 1550 clock hours offered over 46 weeks of instruction. The Title IV academic year definition is 900 clock hours and 26 weeks of instruction.

Program begins on 01/10/11, with an expected completion on 12/02/11.

First loan period is the academic year of 900 clock hours and 26 weeks. That will be 01/10/11 to 07/08/11.

A second loan period cannot begin until the student has successfully completed 900 clock hours and 26 weeks have elapsed. If the student completes the 900 clock hours as scheduled on 07/08/11, a second prorated loan may be awarded. The loan period will include the remaining 650 clock hours and 20 weeks of instruction.



## Clock hour/Nonterm Credit Hour

- Disbursement is by payment period
  - First disbursement may be no earlier than 10 days before beginning of payment period
  - Second disbursement is at later of
    - Successful completion of half of clock hours in loan period or
    - Half of weeks of instructional time in loan period have elapsed



### References: 34 CFR 685.301(b)

#### Disbursement Example

For the Fancy Dessert program, the first loan period is the academic year of 900 clock hours and 26 weeks. The second disbursement cannot be made until the student has successfully completed 450 clock hours and 13 weeks have elapsed.

For the second loan, if for a 650 clock hour and 20 week loan period, the second disbursement cannot be made until the student has successfully completed 325 of those 650 clock hours, and 10 weeks have elapsed.



## Transfer/Program Change Clock Hour/Nonterm Credit Hour

- Student transfers to new school with accepted hours
  - New loan may be originated for remaining portion of program or academic year
- Student completes program and begins new program at same school during same academic year
  - New loan may be originated for remainder of academic year in first program



**References: 34 CFR 682.603(f)(1)(ii)**

**Nonterm Credit Hour Transfer Student Example**

Student enrolled at My School in a nonterm credit hour massage program. Academic year definition is 24 semester credit hours and 30 weeks of instructional time.

Loan period is full academic year of 12/06/10 to 07/08/11.  
First disbursement of \$1,500 is disbursed.

Student withdraws from My School in February 2011. And in March, transfers to His School, where 10 credits are accepted on transfer.

Academic year at His School is 24 semester credit hours and 30 weeks of instructional time.

Student begins on 03/07/11, which creates an overlapping academic year. Student's academic year at His School will go from 03/07/11 to 09/30/11. Because of overlapping loan period and accepted transfer credits, His School may originate a loan with loan period of 03/07/11 to 07/08/11. This finishes the academic year from My School. The loan amount is the difference between the annual loan limit and \$1,500.



## Monitoring Annual Loan Limits





## Monitoring Annual Loan Limits

- Scheduled Academic Year (SAY)
  - Used by term-based credit-hour programs
    - Fixed period of time that begins and ends at same time each year
    - Must contain number of terms in academic year





## Monitoring Annual Loan Limits

### Borrower-Based Academic Year (BBAY)

- Not fixed, but moves with student's attendance and progression in program
- *May* be used by term-based credit hour programs that have a Scheduled Academic Year (SAY)
- *Must* be used for clock-hour, nonterm credit hour, and NS-NSEL9W programs



NS-NSEL9W = Nonstandard, Not Substantially Equal, Less than 9 Weeks in length

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## Annual Loan Limit Progression

- Standard Terms & NS-SE9W
  - Student is considered to have completed an academic year and progresses to the next annual loan limit when the academic year calendar period has elapsed.
- May use SAY or BBAY



**References:** 34 CFR 682.603(g)(1); 685.301



## SAY for Semester or Trimester-Based Program

2-Year Credit-Hour Program  
Academic Year 24 Credits/ 30 Weeks

Fall

Spring

1st SAY

\$5,500 annual loan limit

Fall

Spring

2nd SAY

\$6,500 annual loan limit



## SAY for Quarter-Based Program

2-Year Credit-Hour Program  
Academic Year 36 Credits/ 30 Weeks

Fall

Winter

Spring

1st SAY

\$5,500 annual loan limit

Fall

Winter

Spring

2nd SAY

\$6,500 annual loan limit





## SAY With Summer As Trailer

2-Year Credit-Hour Program  
Academic Year 24 Credits/ 30 Weeks

Fall

Spring

Summer

1st SAY  
\$5,500 annual loan limit

Trailer to SAY  
Remaining eligibility  
assuming same grade level is  
\$5,500 – Amount Borrowed in  
Fall/Spring





## SAY for NS-SE9W

2-Year Credit-Hour Degree Program  
Academic Year of Four 9-Week Modules

Mod 1

Mod 2

Mod 3

Mod 4

1st SAY

\$5,500 annual loan limit

Mod 5

Mod 6

Mod 7

Mod 8

2nd SAY

\$6,500 annual loan limit



NS-SE9W = Nonstandard, Substantially Equal, at least 9 Weeks





## BBAY for Semester or Trimester-Based Program

2-Year Credit-Hour Program  
Academic Year 24 Credits/30 Weeks

Fall

Spring

1st BBAY

\$5,500 annual loan limit

Summer

Fall

2nd BBAY

\$6,500 annual loan limit





## BBAY for Quarter-Based Program

2-Year Credit-Hour Program  
Academic Year 36 Credits/ 30 Weeks

Spring

Summer

Fall

1st BBAY

\$5,500 annual loan limit

Winter

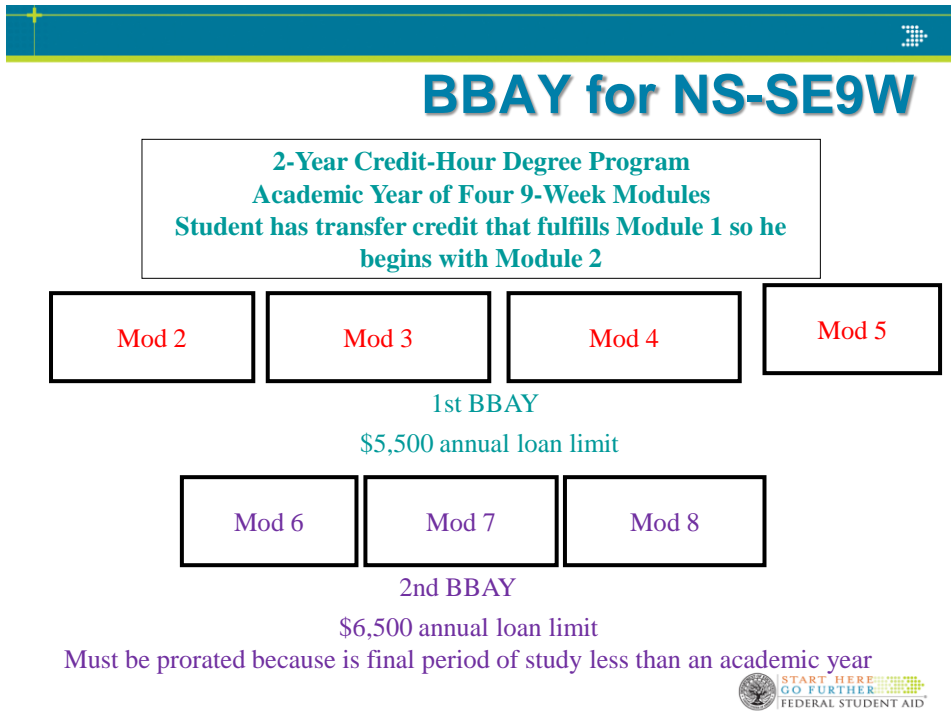
Spring

Summer

2nd BBAY

\$6,500 annual loan limit





NS-SE9W = Nonstandard, Substantially Equal at least 9 Weeks

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## Annual Loan Limit Progression

- NS-NSE & NS-SEL9W
  - Student is considered to have completed an academic year and progresses to the next annual loan limit at the later of
    - Student's completion of the weeks of instructional time in academic year or
    - Date determined by school, that student has successfully completed academic coursework in academic year



### References: 34 CFR 682.603(g)(2)

NS-NSE = Nonstandard, Not Substantially Equal

NS-SEL9W = Nonstandard, Substantially Equal, Less than 9 Weeks in length

**Nonstandard-term Annual Loan Limit Progression Example NS-NSE****Carney State College**

The academic calendar consists of two 15 weeks semesters, fall and spring. In this scenario, the 12 week summer term is actually divided into two 6 week sessions. The financial aid office has chosen to treat each session as a separate term for aid purposes. Full-time in each session is 5 credit hours. ( $24 \times 6/30 = 4.8$  rounded up to 5)

This means that the calendar becomes a nonstandard calendar with terms that are not substantially equal (difference between 15 and 6 is more than 2). The 6 week terms do not meet the 9 week rule. The academic year is defined as 24 credits and 30 weeks.

A student who enrolls at 9 credits in both fall and spring, and earns all 18 credits. He borrowed a full annual loan limit of \$5,500 for fall/spring.

For this student, the 30 weeks in the academic year have elapsed, but the student has not earned 24 credits. If the student does not enroll in either of the summer terms, he will not be eligible to borrow a new annual loan limit in fall because he has not completed one academic year's coursework.

**Nonstandard-term Annual Loan Limit Progression Example NS-SEL9W**

**Ina's Interior Design Institute** offers an Interior Home Design program. It consists of 5 terms, each 8 weeks in length. The school refers to them as modules. The program is 30 semester credits.

Module	Weeks	Credits
Module 1	8 weeks	6 credits
Module 2	8 weeks	6 credits
Module 3	8 weeks	6 credits
Module 4	8 weeks	6 credits
Module 5	8 weeks	6 credits

Ina's Interior Design Institute must award its loans by academic year. Though the modules are substantially equal, they are each less than 9 weeks in length.

Title IV academic year is defined as 24 semester credits earned over 32 weeks of instruction. A student who borrows a full annual loan limit for the first loan period of Modules 1 through Module 4 and does not earn all 24 credits, cannot borrow a new annual loan limit until he has earned 24 credits.

**Nonstandard Not Substantially Equal Example NS-NSE**

**City Community College** has a Veterinary Assistant Program. It consists of 6 terms, over a period of 45 weeks of instruction. It is 54 quarter credits.

Term	Weeks	Credits
Term 1	3 weeks	3 credits
Term 2	8 weeks	10 credits
Term 3	9 weeks	10 credits
Term 4	10 weeks	13 credits
Term 5	9 weeks	10 credits
Term 6	6 weeks	8 credits

City Community College must award its loans by academic year because its terms are not substantially equal. Title IV academic year is defined as 36 quarter credits earned over 30 weeks of instruction.

A student must earn all 36 credits for in the first 4 terms to become eligible for a new annual loan in Term 5. Remember that the weeks must elapse and the student must earn the credits in the academic year.

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## Annual Loan Limit Progression

- Clock Hour/Non-Term Credit Hours
  - Student is considered to have completed an academic year and progresses to the next annual loan limit at the later of
    - Student's completion of weeks of instructional time in academic year or
    - Date determined by the school, that student has successfully completed the clock hours in academic year



**References: 34 CFR 685.301(a)(10)**



## BBAY – Clock-Hour Program

1200 Clock-Hour/32 Week Program  
900 Clock-Hour/26 Week AYD

450 hrs/13 wks

450 hrs/13 wks

300 hrs/6 wks

1st BBAY

2nd BBAY

\$5,500 annual loan limit

\$6,500 annual  
loan limit\*

**\*Must prorate annual loan limit for final  
period less than an academic year**

**\$4,500 x 300 / 900 = \$1,500 Sub**

**\$2,000 x 300 / 900 = \$667 Unsub**







## Reconciliation

- A General Definition
  - The process by which records from one system are compared to records from another, and any discrepancies are identified and resolved.
  - Balancing a checkbook would be an example





## Direct Loan Reconciliation

• Process by which the Direct Loan Cash Balance recorded on the Department of Education system is reviewed and compared with a school's internal records on a monthly basis. The school must:

- identify and resolve discrepancies, and
- document reasons for their Ending Cash Balance



**References: 34 CFR 685.102**



## Program Year Closeout

- Process by which schools complete final processing at the end of a Direct Loan award year.
  - Extension of the monthly reconciliation process
  - \$0 Ending Cash Balance
    - DL funds received = DL funds disbursed)
  - Final deadline: Last processing day of July at the following end of the following award year (7/29/2011 for 2009-2010).

Note: 30 Day reporting requirement supersedes both reconciliation and closeout requirements



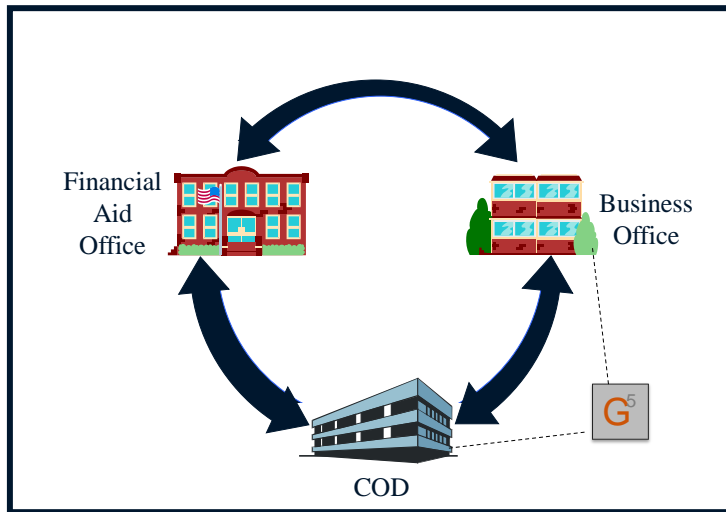


## Ending Cash Balance (ECB)

Total Net Drawdowns  
-Total Net Booked Disbursements  
Ending Cash Balance



## Reconciliation: Three Key Systems





## School Account Statement (SAS)

- Generated by COD on 1<sup>st</sup> weekend of the month
- Contains data through the end of the previous month.
- Separate SAS for each open award year







## School Account Statement (SAS)

- Four Primary SAS Components
  - Cash Summary
  - Disbursement Summary by Loan Type
  - Cash Detail
  - Loan Detail
    - Loan or Disbursement Activity Level
- Different Report Options
  - Format
  - Content



## SAS Options Screen

U.S. DEPARTMENT OF EDUCATION  
COMMON ORIGINATION & DISBURSEMENT

FSA  
FEDERAL  
STUDENT AID

Person School Batch Award Services User

School Search

SAS Options

UNIVERSITY OF SAN FRANCISCO

Program: DIRECT LOAN Award Year: '10-'11

SAS Options

Report Format: Fixed Length

Include Names of Borrowers: No

Report Activity Type: Both

Regardless of your choice (Monthly, Year-to-Date, or Both), you will receive Year-to-Date and Monthly Cash Summaries.

You will receive Monthly Cash Detail if you choose Monthly activity and Year-to-Date Cash Detail if you choose Year-to-Date.

You will receive both the Monthly and Year-to-Date Cash Detail if you select Both as your option.

Sections of SAS to Receive

Summary by Loan Type: Yes

If chosen, you will receive Monthly and Year-to-Date.

Disbursement Detail: Monthly (Yes), Year-to-Date (No)

Loan Level (optional): N/A (No)

Loan Level is only available for Year-to-Date.

UPDATE

FEDERAL STUDENT AID

**Information about the SAS Options Screen**

**Report Format** (Fixed Length\*, Comma-Delimited, Comma-Delimited With Headers, Pipe-Delimited): This determines which format will be used to generate the report for your school. NOTE: If you plan to use DL Tools to format your report and/or run a comparison to school records, you must select Fixed Length.

**Include Names of Borrowers** (Yes/No\*) : This option is available for all formats EXCEPT Fixed Length, Disbursement Detail (Monthly or YTD).

**Report Activity Type** (Monthly\*, Year-to-Date, Both): This option will determine whether you receive Monthly, YTD, or both Monthly and YTD Cash Detail in your SAS Reports. It will also determine the level of detail you can choose to receive in the Disbursement and Loan Level Detail sections of the report (these options are set separately, since disbursement/loan detail is optional for schools to receive). NOTE: 1) If you choose both, your school will receive at least two separate SAS reports each month – one with Monthly detail, and one with YTD detail. 2) If you wish to use the DL Tools software to compare the SAS to your internal school records each month, you MUST receive YTD detail on the SAS report.

**Summary by Loan Type** (Yes\*/No): This refers to the Disbursement Summary by Loan Type section of the SAS report. Many schools find this information useful in determining loan volumes disbursed by each loan type (Sub, Unsub, PLUS, or Totals).

**Disbursement Detail** (Yes\*/No for Monthly and/or YTD, based on the Report Activity Type chosen above.): This section of the SAS provides transaction-level detail of all disbursements and adjustments accepted or booked during the reported period.

**Loan Level (optional)** – (Yes\*/No for YTD only. If you choose Report Activity Type Monthly, you will not be able to receive Loan Level Detail and this field will display “N/A.”): This section of the SAS provides total disbursed amounts for each loan that was accepted and/or booked on COD for the program year-to-date. This section of the SAS is not available for a monthly period.

Vh1

## Schools Account Statement Cash Summary - YTD

Report Date:	05/04/2011	U.S. Department of Education	Page 1
Report Time:	09:53:20	Direct Loan Tools - 2010-2011	
		SAS Year-To-Date Cash Summary	
THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT			
*****			
End Date:	04/30/2011		
School Code:	G09009		
Region Code:	02		
State Code:	NJ		
Beginning Balance:			\$0
Cash Receipts:	\$13,074		
Refunds of Cash:	-\$1,350		
Net Drawdowns/Payments:			\$11,724
Booked Disbursements:	\$5,721		
Booked Adjustments:	-\$1,250		
Total Net Booked Disbursements:			\$4,471
Ending Cash Balance:			\$7,253
Unbooked Disbursements Actual:	\$3,264		
Unbooked Adjustments:	\$0		
Total Net Unbooked Disbursements:			\$3,264
Cash > Accepted and Posted Disbursements:			\$3,989



## Disbursement Summary by Loan Type

Report Date:	05/04/2011	U.S. Department of Education	Page 1
Report Time:	09:59:50	Direct Loan Tools - 2010-2011	
		SAS Monthly Disbursement Summary	
THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT			
*****			
End Date:	04/30/2011		
School Code:	G09009		
Region Code:	02		
State Code:	NJ		
	Subsidized	Unsubsidized	PLUS
Booked Gross	-\$1,282	\$0	\$0
Booked Fee	-\$52	\$0	\$0
Booked Interest Rebate	-\$20	\$0	\$0
Booked Net	-\$1,250	\$0	\$0
Unbooked Gross	\$250	\$2,962	\$0
Unbooked Fee	\$10	\$88	\$0
Unbooked Interest Rebate	\$5	\$45	\$0
Unbooked Net	\$245	\$2,919	\$0
	All Loans		
Booked Gross	-\$1,282		
Booked Fee	-\$52		
Booked Interest Rebate	-\$20		
Booked Net	-\$1,250		
Unbooked Gross	\$2,312		
Unbooked Fee	\$98		
Unbooked Interest Rebate	\$50		
Unbooked Net	\$2,264		



## Cash Detail

Report Date: 5/04/2011	U.S. Department of Education	Page 1		
Report Time: 10:18:06	Direct Loan Tools - 2010-2011			
SAS Cash Detail				
Sort By: Trans Type				
THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT				
*****				
Date Range:	Trans Type: All			
School Code: G09009				
End Date: 4/30/2011				
Trans Type	Trans Date	Trans Amount	COD Process Date	Payment Control/Check Number
Receipt	03/28/2011	\$8,985	04/01/2011	2011032812345
Receipt	04/28/2011	\$4,089	04/30/2011	2011040767890
Refund	04/15/2011	\$1,000	04/17/2011	000000101100
Refund	04/18/2011	\$250	04/20/2011	000000101101
Total Cash Receipt Records:			2	
Total Refunds Cash Records			2	
Total SAS Cash Detail Records			4	
Total Cash Receipt Amount:			\$13,074	
Total Refunds of Cash Amount:			\$1,350	



## Loan and Disbursement Detail

Report Date: 05/04/2011

U.S. Department of Education

Page 1

Report Time: 10:04:21

Direct Loan Tools - 2010-2011

SAS Loan and Disbursement Detail

Sort By: Last Name

THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT

School Code:

Booked Status: Unbooked

End Date: 04/30/2011

Student's Name	Record Type	Gross Amount	Fee Amount	Int Rebate Amount	Net Amount
PLUS Borrower's Name					
Loan ID					
	Disb #	Seq #	Type	Disb Date	Gross Amount
					Net amount
York, Charlotte					
22234444810G09009001	Unbooked	\$250	\$10	\$5	\$245
1	1 D	05/02/2011		\$250	\$245
222344444U10G09009001					
Unbooked	\$1,306	\$39	\$20	\$1,287	
1	1 D	05/02/2011	\$1,306	\$1,287	
Hobbs, Miranda					
333445555810G09009001	Unbooked	\$1,656	\$49	\$25	\$1,632
1	1 D	05/02/2011	\$1,656	\$1,632	
Total Booked Loans: 0 \$0					
Total Unbooked Loans: 3 \$2,312					
Total Loans: 3 \$2,312					
Total Disbursements: 3 \$2,312					
Total Loan Gross Amount: \$2,312					
Total Loan Net Amount: \$2,264					

RT HERE  
FURTHER  
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## How Do I Know I Am Finished?

- All discrepancies have been identified and resolved
- Timing issues are tracked for reconciliation in next month's SAS
- Reasons for any Ending Cash Balance have been identified
- All monthly reconciliation efforts have been documented







## Tools and Resources

- School Account Statement (SAS)
- COD Website
- DL Tools
- Student Files
- Financial Aid Office Reports
- Business Office Reports



For further instruction on Reconciliation, please access the recorded training session available at the link below. It is an interactive 70 minute session intended for financial aid and business office personnel who are responsible for reconciling and funding Direct Loans.

<http://ifap.ed.gov/dpcletters/ANN1041.html>

Participants will explore the process of monthly reconciliation using a Participant's Guide, which will be used as a reference throughout the training and is a valuable resource for future use.

Using the Participant's Guide, the recorded training session will review how to identify and avoid common cash and disbursement discrepancies, as well as highlight reports, tools, and resources that are available to assist schools with timely reconciliation. Participants will also work through a case study to further explore each step in the monthly Direct Loan reconciliation process.



## Monthly Reconciliation Other Reports and Tools

- 30 day Warning Report (COD)
- Booked Status Report (EDEXpress or custom)
- Pending Disbursement List  
(EDEXpress List – Anticipated Disbursements, Pending Actual Disbursements)
- Funded Disbursement List  
(EDEXpress List – Actual Disbursements, Booked and Unbooked)
- Disbursement Measurement Tool Report (DL Tools)
- Cash Summary Report (DL Tools – optional)
- Ledgers, Bank Statements, Cancelled Checks
- Other Internal School Reports





## COD Customer Service

- COD Customer Service
  - Customer Service Representative
  - Weekly monitoring e-mails
  - Reconciliation Team
- **1-800-848-0978**
- <https://cod.ed.gov>





## Entrance Counseling Tool StudentLoans.gov

Entrance Counseling  
can be completed  
through  
StudentLoans.gov



## What Will the Borrower Experience Using the Entrance Counseling Tool?

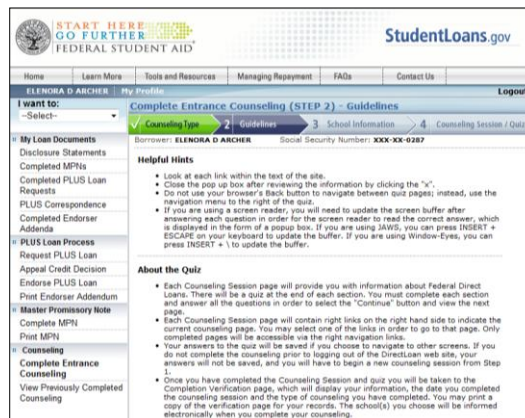
Through the StudentLoans.gov Entrance Counseling process, borrowers will learn about

- Direct Loans
- Rights and responsibilities as a borrower
- Managing educational expenses
- Other financial resources to consider that may help pay for the borrower's education



## Helpful Hints

Provides insight and helpful hints



## Types of Counseling

- Borrower is directed to the correct type of Entrance Counseling
  - Undergraduate
  - Graduate or Professional



## Select Counseling Type

Borrowers are prompted to select the counseling type

The screenshot shows the StudentLoans.gov website. The user is logged in as GILDA D BROZEK. The page is titled 'Complete Entrance Counseling (STEP 1) - Counseling Type'. The user is prompted to select their counseling type. The 'Counseling Type' section is highlighted with a red box. The options are:

- ☐ I am completing entrance counseling in order to receive loans as an undergraduate student. This counseling will fulfill counseling requirements for Direct Subsidized and Unsubsidized Loans.
- ☐ I am completing entrance counseling in order to receive loans as a graduate or professional student. This counseling will fulfill counseling requirements for Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans.

Buttons for 'Cancel' and 'Continue' are visible at the bottom of the selection box.



## Student Can Identify Schools to Send Entrance Counseling Data

- Borrower is directed to choose up to three schools to which the data will be sent



## Student Selects Schools To Receive Data

Select up to three schools to send the Entrance Counseling data





## Topics Include

- Borrower will complete a short training session on a variety of Direct Loan related topics including
  - Types of Loans
  - Borrow Wisely
  - You Must Repay
  - MPN
  - DL Subsidized and Unsubsidized Loan Limits
  - DL Subsidized and Unsubsidized Interest Rate



## Topic Screen

Borrowers will complete a training session on a series of topics



## Site Includes Quiz

At the end of each topic, the borrower must complete several quiz questions

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ELENORA D ARCHER My Profile

I want to: -Select-

Complete Entrance Counseling (STEP 4) - Counseling Session/Quiz

Counseling Type Guidelines School Information Counseling Session/Quiz

Borrower: ELENORA D ARCHER Social Security Number: XXX-XX-1234

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**Borrow Wisely**

- Your school will award you the maximum amount of loan money for which you are eligible, unless you request less. You may decline any portion or all of a loan you do not need.
- Borrow conservatively. Never borrow more than you can afford to repay, even if you are eligible to borrow more.
- Calculate your expenses and your resources. Use these figures to help you determine how much you really need to pay for your education. To get an idea of your college expenses, use our [budget calculator](#).
- Identify non-loan sources of financial assistance. Accepting a loan may affect your eligibility for other forms of financial aid, so you should check with your school's financial aid office about your eligibility for private and federal non-loan aid before accepting a loan.
- Look for ways to increase your income, decrease your expenses, or both.

Question 1:  
You may decline any portion or all of a loan you do not need.

☐ a. True  
☐ b. False

Question 2:  
Before accepting a loan you should:

1) Direct Loan Types  
2) Borrow Wisely  
3) You Must Repay Your Loans  
4) The Master Promissory Note  
5) How Your Loans Will Be Disbursed (Paid Out)  
6) Direct Subsidized and Unsubsidized Loan Limits  
7) Direct Subsidized Loan and Direct Unsubsidized Loan Interest Rates and Payment of Interest  
8) Loan Fees  
9) Changes You Must Report  
10) Repaying Direct Loans  
11) Repayment Incentives  
12) Trouble Making Payments  
13) Consequences If You Default



## Student Can Print Confirmation

- Once Entrance Counseling is complete, borrower can print confirmation page

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WELCOME, ELENOIA D ARCHER

Complete Entrance Counseling (STEP 4) - Counseling Session/Quiz

1. I WANT TO: -Select- 2. Counseling Type 3. Guidance 4. School Information 5. Counseling Session/Quiz

6. My Loan Documents  
Disclosure Statements  
Completed MPN  
Completed PLUS Loan Request  
PLUS Correspondence  
Completed Endorser Addendum  
7. PLUS Loan Process  
Request PLUS Loan  
Appeal Credit Decision  
Endorse PLUS Loan  
Print Endorser Addendum  
8. Master Promissory Note  
Complete MPN  
Print MPN  
9. Counseling  
Complete Entrance Counseling  
View Previously Completed Counseling

Borrower: ELENOIA D ARCHER Social Security Number: XXX-XX-0287

Congratulations! You have successfully completed the Entrance Counseling needed to receive a Direct Subsidized and/or Direct Unsubsidized loan. The school(s) you selected will be notified within the next 24 hours. Please print a copy of this screen and retain for your records. If you have additional questions regarding your loan(s) and/or its status, contact your school's financial aid office.

First Name: ELENOIA  
Middle Initial: D  
Last Name: ARCHER  
SSN: XXX-XX-0287  
School Location: VA  
School: GEORGE WASHINGTON UNIVERSITY

• You can view and download completed Counseling Verification Page  
• You can submit a Master Promissory Note





## StudentLoans.gov Alerts COD

- Once a borrower completes an Entrance Counseling session on the StudentLoans.gov website:
  - Completed Entrance Counseling data is submitted to COD
  - Entrance Counseling Acknowledgement is sent to schools
  - Schools can search COD for completed Entrance Counseling sessions



## Schools Can Search For Entrance Counseling Data In COD

- SSN
- Entity ID
- Date Range
- Counseling Type
- Award Year

The screenshot displays the FSA Common Origination & Disbursement (COD) system interface. At the top, the U.S. Department of Education logo and the text "COMMON ORIGINATION & DISBURSEMENT" are visible. The navigation bar includes tabs for Person, School, Batch, Award, Services, User, and Program. The "Person" tab is selected, and the "Counseling Search" option is highlighted in the left sidebar. The main content area shows a search form with the following fields:

- SSN**: A large text input field for entering Social Security Numbers.
- Date Range**: A section with a note "Date Range search returns all counselings for the specified school." and a "Date Range" label.
- Entity ID Type**: A dropdown menu set to "COD".
- Entity ID**: A text input field for the Entity ID.
- Begin Date**: A date selector with month (July), year (19), and century (2010) dropdowns.
- End Date**: A date selector with month (July), year (19), and century (2010) dropdowns.
- Award Year**: A dropdown menu set to "'09-'10".
- Counseling Type**: A dropdown menu set to "TEACH Grant Counseling".
- SEARCH**: An orange button to execute the search.





## StudentLoans.gov Planned Enhancements

- COD Release 10.0 (February 18, 2011)
  - New Entrance Counseling Report
    - Generated weekly
    - Includes completed Entrance Counseling from the previous week
    - Available via the COD Reporting website in CSV format with headers
- COD Release 10.1 (June 17, 2011)
  - Ability to complete Entrance Counseling in Spanish on StudentLoans.gov





## End Of Module 4

